

In previous blogs, I have discussed the Democrats' PayGO rule and characterized it as nothing more than a gimmick and budgetary ploy to fool the taxpayer. I now want to provide with you two examples to highlight what I am talking about: 1) Farm Bill Reauthorization (HR 2419) What it does: ...

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1) Farm Bill Reauthorization (HR 2419)

What it does:

- Increases Spending by a total of \$18.8 billion over 10 years
- Raises taxes on US business by \$7.5 billion over 10 years
- Increases fees on U.S energy companies by \$6.1 billion

PayGo Gimmick: This bill pays for the increased spending by delaying farm and crop insurance payments and accelerating crop insurance premium payments for a \$4.8 billion in "savings". The problem is that these "savings" do not really exist! Payment schedules are simply modified to comply with PayGO.

2) Terrorism Risk Insurance Revision and Extension Act (HR 2761)

What it does:

- Increases net direct spending by approximately \$8.4 billion over the next 10 years assuming a terrorist attack happens during this period, but this is a modest estimate, if an attack was worse than predicted it could run much higher.

PayGo Gimmick: This bill pretends that the government does not have to cover the losses unless a second bill, in the wake of a tragic terrorist attack, is passed by a future Congress.

When the PayGo rule was passed by the majority, Republicans cautioned that it would only promote increased spending, higher taxes, and budgetary tricks.

This is exactly what has happened. Apparently budget gimmicks combined with higher taxes equates to fiscal discipline.

Go figure.